

Housing Trust Fund

Provides funds for the construction, rehabilitation, and preservation of rental homes and for homeownership for extremely low- and very low-income families, including homeless families.

Nature of the Program: The Fund provides funding to developers to preserve, rehabilitate and construct housing, primarily for extremely low-income families. At least 80 percent of the funds must be used for the production, preservation, rehabilitation, or operation of rental housing. Up to 10 percent can be used for the following homeownership activities for first-time homebuyers: production, preservation, and rehabilitation; down payment assistance, closing cost assistance, and assistance for interest rate buy-downs.

Rental housing units must have a minimum affordability period of 30 years. In the first year of funding, 100 percent of the funds used to produce rental units must benefit extremely low-income families or families with incomes below the poverty line, whichever is greater.

Applicant Eligibility: Funds are distributed by formula to states, who then may distribute the money according to a state plan to state designated entities or subgrantees for further distribution within a state, or directly to qualified recipients, such as nonprofit and for-profit organizations.

Legal Authority: Section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568).

Administering Office: Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington DC 20410.

Information Source: Administering office.

Current Status: Authorized, but currently unfunded.